

## INDIANA FINANCE AUTHORITY

### Resolution No. G34-2010

WHEREAS, the Indiana Finance Authority, a body politic and corporate duly organized and validly existing under the laws of the State of Indiana (the "Authority"), pursuant to Indiana Code 4-4-10.9, 4-4-11 and 4-4-11.6, as supplemented and amended (collectively, the "Act"), is empowered to enter into a contract for the purchase of pipeline quality gas produced by a facility that uses a gasification process to convert coal into a gas ("SNG") capable of being sold to third parties with the net effect of the proceeds and costs of those sales to be reflected in the line item on retail end use customers' bills; and

WHEREAS, energy utilities have been unable to mitigate completely the effects of volatile natural gas prices; and

WHEREAS, a long term contract for the purchase of SNG between the Authority and an SNG producer will help mitigate volatile natural gas prices and enhance the receipt of federal incentives for the development, construction, and financing of a new coal gasification facility in Indiana; and

WHEREAS, the Authority's participation in and oversight of the purchase of SNG is critical to obtain low cost financing for the construction of a new coal gasification facility and obtaining low cost financing for the construction of a new coal gasification facility is necessary to allow retail end use customers to enjoy the financial benefits of a reliable, reasonably priced, and long term energy supply;

WHEREAS, in accordance with the Act, the Authority may enter into a purchase contract for the purchase of SNG from a coal gasification facility; and

WHEREAS in accordance with the Act, the Authority may enter into third party marketing and sale agreements to transport and sell SNG to third parties (the "Marketing Agreements"); and

WHEREAS, in accordance with the Act, the Authority may enter into management and related contracts with Indiana energy utilities to bill and collect or credit the net effect of the proceeds and costs of the sale of SNG to third parties (the "Management Agreements"); and

WHEREAS, the Authority now desires to approve the substantially final form of Substitute Natural Gas Purchase and Sale Agreement by and between the Authority and Indiana Gasification, LLC ("the SNG Agreement"); the substantially final form of the Management Agreements; and to authorize the Authority to enter into Marketing Agreements as necessary to carry out the purpose of the Act (the Marketing Agreements together with the SNG Agreement and the Management Agreements, the "Agreements"); and

WHEREAS, in accordance with the Act, the Authority plans to submit the SNG Agreement and the Management Agreements to the Indiana Utility Regulatory Commission ("Commission") in order to receive Commission approval; and

WHEREAS, in accordance with the Act, the Authority has consulted with the Consumer Counselor of the Office of Utility Consumer Counselor before negotiating the terms of or entering into the Agreements; and

WHEREAS, the Authority has determined, in accordance with Indiana Code 4-4-11-11(b)(3), it is in its best interest to provide directions concerning the identity of individuals who are authorized to bind the Authority to contractual commitments with the use of signature stamps.

NOW, THEREFORE, BE IT RESOLVED BY THE MEMBERS OF THE INDIANA FINANCE AUTHORITY, AS FOLLOWS:

Section 1. The Authority hereby approves the forms of the Agreements, as applicable, and authorizes the Authority to enter into Marketing Agreements.

Section 2. The Authority hereby authorizes the execution and delivery of the Agreements by the Authority, as appropriate. The Chairman of the Authority or the Public Finance Director of the State of Indiana are hereby authorized and directed to execute the Agreements with such changes in form or substance from those presented to this meeting as may be approved by the Chairman of the Authority or the Public Finance Director of the State of Indiana executing such Agreements, such approval to be conclusively evidenced by the execution thereof.

Section 3. The Chairman of the Authority and the Public Finance Director of the State of Indiana are each hereby authorized and directed to do and perform all acts and to execute in the name of the Authority, all such instruments, documents, papers or certificates and any other documents contemplated within the Agreements which are necessary, desirable or appropriate to carry out the transactions contemplated by this Resolution in such forms as the individuals executing the same shall deem proper, such approval to be evidenced by the execution thereof.

Section 4. The Authority hereby authorizes the use of a signature stamp of the Chairman and Public Finance Director on all documents necessary or desirable in connection with the actions authorized hereby. The Chairman and the Public Finance Director may authorize, in a writing executed with a manual signature, Authority Counsel or a similar person to affix a stamp of their signature to the various documents and that such delegation and authorization shows the approval of such officer and the Authority agrees to be bound by a document executed in such manner.

Section 5. If any section, paragraph, clause or provision of this Resolution shall be ruled by any court of competent jurisdiction to be invalid, the invalidity of such section, paragraph, clause or provision shall not affect any of the remaining sections, paragraphs, clauses or provisions.

Section 6. All resolutions and orders, or parts thereof, in conflict with the provisions of this Resolution, are, to the extent of such conflict, hereby repealed.

Section 7. This Resolution shall be effective upon passage.

Adopted by the Indiana Finance Authority this 16th day of December, 2010.

INDIANA FINANCE AUTHORITY

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Christopher A. Ruhl, Chairman

(SEAL)

ATTEST:

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Jennifer M. Alvey, Public Finance Director  
of the State of Indiana